



6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R04-OAR-2017-0104; FRL-9966-18-Region 4]

Air Plan Approval; Alabama; Regional Haze Plan and Prong 4 (Visibility) for the 2012 PM_{2.5}, 2010 NO₂, 2010 SO₂, and 2008 Ozone NAAQS

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to take the following four actions regarding the Alabama State Implementation Plan (SIP), contingent upon a final determination from the Agency that a state's participation in the Cross-State Air Pollution Rule (CSAPR) continues to meet the Regional Haze Rule (RHR)'s criteria to qualify as an alternative to the application of Best Available Retrofit Technology (BART): approve the portion of Alabama's October 26, 2015, SIP submittal seeking to change reliance from the Clean Air Interstate Rule (CAIR) to CSAPR for certain regional haze requirements; convert EPA's limited approval/limited disapproval of Alabama's July 15, 2008, regional haze SIP to a full approval; approve the visibility prong of Alabama's infrastructure SIP submittals for the 2012 Fine Particulate Matter (PM_{2.5}), 2010 Nitrogen Dioxide (NO₂), and 2010 Sulfur Dioxide (SO₂) National Ambient Air Quality Standards (NAAQS); and convert EPA's disapproval of the visibility portion of Alabama's infrastructure SIP submittal for the 2008 Ozone NAAQS to an approval.

DATES: Comments must be received on or before [insert date 30 days after date of publication in the Federal Register].

ADDRESSES: Submit your comments, identified by Docket ID No EPA-R04-OAR-2017-0104 at <http://www.regulations.gov>. Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from Regulations.gov. EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. EPA will generally not consider comments or comment contents located outside of the primary submission (i.e., on the web, cloud, or other file sharing system). For additional submission methods, the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <http://www2.epa.gov/dockets/commenting-epa-dockets>.

FOR FURTHER INFORMATION CONTACT: Michele Notarianni, Air Regulatory Management Section, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street, SW, Atlanta, Georgia 30303-8960. Ms. Notarianni can be reached by telephone at (404) 562-9031 or via electronic mail at notarianni.michele@epa.gov.

SUPPLEMENTARY INFORMATION:

I. Background

A. Regional Haze SIPs and Their Relationship with CAIR and CSAPR

Section 169A(b)(2)(A) of the Clean Air Act (CAA or Act) requires states to submit regional haze SIPs that contain such measures as may be necessary to make reasonable progress towards the natural visibility goal, including a requirement that certain categories of existing

major stationary sources built between 1962 and 1977 procure, install, and operate BART as determined by the state. Under the RHR, states are directed to conduct BART determinations for such “BART-eligible” sources that may be anticipated to cause or contribute to any visibility impairment in a Class I area. Rather than requiring source-specific BART controls, states also have the flexibility to adopt an emissions trading program or other alternative program as long as the alternative provides greater reasonable progress towards improving visibility than BART. *See* 40 CFR 51.308(e)(2). EPA provided states with this flexibility in the RHR, adopted in 1999, and further refined the criteria for assessing whether an alternative program provides for greater reasonable progress in two subsequent rulemakings. *See* 64 FR 35714 (July 1, 1999); 70 FR 39104 (July 6, 2005); 71 FR 60612 (October 13, 2006).

EPA demonstrated that CAIR would achieve greater reasonable progress than BART in revisions to the regional haze program made in 2005.¹ *See* 70 FR 39104. In those revisions, EPA amended its regulations to provide that states participating in the CAIR cap-and-trade programs pursuant to an EPA-approved CAIR SIP or states that remain subject to a CAIR Federal Implementation Plan (FIP) need not require affected BART-eligible electric generating units (EGUs) to install, operate, and maintain BART for emissions of SO₂ and nitrogen oxides (NO_x). As a result of EPA’s determination that CAIR was “better-than-BART,” a number of states in the CAIR region, including Alabama, relied on the CAIR cap-and-trade programs as an alternative to BART for EGU emissions of SO₂ and NO_x in designing their regional haze SIPs. These states also relied on CAIR as an element of a long-term strategy (LTS) for achieving their reasonable progress goals (RPGs) for their regional haze programs. However, in 2008, the United States Court of Appeals for the District of Columbia Circuit (D.C. Circuit) remanded

¹ CAIR created regional cap-and-trade programs to reduce SO₂ and NO_x emissions in 27 eastern states (and the District of Columbia), including Alabama, that contributed to downwind nonattainment or interfered with maintenance of the 1997 8-hour ozone NAAQS or the 1997 PM_{2.5} NAAQS.

CAIR to EPA without vacatur to preserve the environmental benefits provided by CAIR. *North Carolina v. EPA*, 550 F.3d 1176, 1178 (D.C. Cir. 2008). On August 8, 2011 (76 FR 48208), acting on the D.C. Circuit’s remand, EPA promulgated CSAPR to replace CAIR and issued FIPs to implement the rule in CSAPR-subject states.² Implementation of CSAPR was scheduled to begin on January 1, 2012, when CSAPR would have superseded the CAIR program.

Due to the D.C. Circuit’s 2008 ruling that CAIR was “fatally flawed” and its resulting status as a temporary measure following that ruling, EPA could not fully approve regional haze SIPs to the extent that they relied on CAIR to satisfy the BART requirement and the requirement for a LTS sufficient to achieve the state-adopted RPGs. On these grounds, EPA finalized a limited disapproval of Alabama’s regional haze SIP on June 7, 2012, triggering the requirement for EPA to promulgate a FIP unless Alabama submitted and EPA approved a SIP revision that corrected the deficiency. *See* 77 FR 33642. EPA finalized a limited approval of Alabama’s regional haze SIP on June 28, 2012, as meeting the remaining applicable regional haze requirements set forth in the CAA and the RHR. *See* 77 FR 38515.

In the June 7, 2012, limited disapproval action, EPA also amended the RHR to provide that participation by a state’s EGUs in a CSAPR trading program for a given pollutant – either a CSAPR federal trading program implemented through a CSAPR FIP or an integrated CSAPR state trading program implemented through an approved CSAPR SIP revision – qualifies as a BART alternative for those EGUs for that pollutant.³ *See* 40 CFR 51.308(e)(4). Since EPA

² CSAPR requires 28 eastern states to limit their statewide emissions of SO₂ and/or NO_x in order to mitigate transported air pollution unlawfully impacting other states’ ability to attain or maintain four NAAQS: the 1997 ozone NAAQS, the 1997 annual PM_{2.5} NAAQS, the 2006 24-hour PM_{2.5} NAAQS, and the 2008 8-hour ozone NAAQS. The CSAPR emissions limitations are defined in terms of maximum statewide “budgets” for emissions of annual SO₂, annual NO_x, and/or ozone-season NO_x by each covered state’s large EGUs. The CSAPR state budgets are implemented in two phases of generally increasing stringency, with the Phase 1 budgets applying to emissions in 2015 and 2016 and the Phase 2 budgets applying to emissions in 2017 and later years.

³ Legal challenges to the CSAPR-Better-than-BART rule from state, industry, and other petitioners are pending. *Utility Air Regulatory Group v. EPA*, No. 12–1342 (D.C. Cir. filed August 6, 2012).

promulgated this amendment, numerous states covered by CSAPR have come to rely on the provision through either SIPs or FIPs.⁴

Numerous parties filed petitions for review of CSAPR in the D.C. Circuit, and on August 21, 2012, the court issued its ruling, vacating and remanding CSAPR to EPA and ordering continued implementation of CAIR. *EME Homer City Generation, L.P. v. EPA*, 696 F.3d 7, 38 (D.C. Cir. 2012). The D.C. Circuit's vacatur of CSAPR was reversed by the United States Supreme Court on April 29, 2014, and the case was remanded to the D.C. Circuit to resolve remaining issues in accordance with the high court's ruling. *EPA v. EME Homer City Generation, L.P.*, 134 S. Ct. 1584 (2014). On remand, the D.C. Circuit affirmed CSAPR in most respects, but invalidated without vacating some of the CSAPR budgets as to a number of states. *EME Homer City Generation, L.P. v. EPA*, 795 F.3d 118 (D.C. Cir. 2015). The remanded budgets include the Phase 2 SO₂ emissions budgets for Alabama, Georgia, South Carolina, and Texas and the Phase 2 ozone-season NO_x budgets for 11 states. This litigation ultimately delayed implementation of CSAPR for three years, from January 1, 2012, when CSAPR's cap-and-trade programs were originally scheduled to replace the CAIR cap-and-trade programs, to January 1, 2015. Thus, the rule's Phase 2 budgets that were originally promulgated to begin on January 1, 2014, began on January 1, 2017.

On November 10, 2016, EPA published a notice of proposed rulemaking (NPRM) explaining the Agency's belief that the potentially material changes to the scope of CSAPR coverage resulting from the D.C. Circuit's remand will be limited to the withdrawal of the FIP

⁴ EPA has promulgated FIPs relying on CSAPR participation for BART purposes for Georgia, Indiana, Iowa, Kentucky, Michigan, Missouri, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia, 77 FR at 33654, and Nebraska, 77 FR 40150, 40151 (July 6, 2012). EPA has approved Minnesota's and Wisconsin's SIPs relying on CSAPR participation for BART purposes. See 77 FR 34801, 34806 (June 12, 2012) for Minnesota and 77 FR 46952, 46959 (August 7, 2012) for Wisconsin.

provisions providing SO₂ and annual NO_x budgets for Texas and ozone-season NO_x budgets for Florida. This is due, in part, to EPA's approval of the portion of Alabama's October 26, 2015, SIP submittal adopting Phase 2 annual NO_x and SO₂ budgets equivalent to the federally-developed budgets and to commitments from Georgia and South Carolina to submit SIP revisions adopting Phase 2 annual NO_x and SO₂ budgets equal to or more stringent than the federally-developed budgets. *See* 81 FR 78954. Since publication of the NPRM, Georgia and South Carolina have submitted these SIP revisions to EPA.⁵ In the NPRM, EPA also proposed to determine that the limited changes to the scope of CSAPR coverage do not alter EPA's conclusion that CSAPR remains "better-than-BART;" that is, that participation in CSAPR remains available as an alternative to BART for EGUs covered by the trading program. At this time, EPA has not finalized this proposed determination.

Alabama's October 26, 2015, SIP submittal also seeks to correct the deficiencies identified in the June 7, 2012, limited disapproval of its regional haze SIP by replacing reliance on CAIR with reliance on CSAPR.⁶ Specifically, Alabama requests that EPA amend the State's regional haze SIP by replacing its reliance on CAIR with CSAPR to satisfy SO₂ and NO_x BART requirements and SO₂ reasonable progress requirements for EGUs formerly subject to CAIR,⁷ and to support the RPGs for the Sipsey Wilderness Area in Alabama for the first planning period. EPA is proposing to take these actions in this action.

⁵ Georgia's rulemaking to adopt the Phase 2 annual NO_x and SO₂ budgets became state effective on July 20, 2017, and the State will submit a SIP revision to EPA in the near future. South Carolina submitted a SIP revision to EPA for parallel processing on May 26, 2017, to adopt the Phase 2 annual NO_x and SO₂ budgets.

⁶ On August 31, 2016 (81 FR 59869), EPA approved portions of the October 26, 2015, SIP submission incorporating into Alabama's SIP the State's regulations requiring Alabama EGUs to participate in CSAPR state trading programs for annual NO_x and SO₂ emissions integrated with the CSAPR federal trading programs and thus replacing the corresponding FIP requirements. In the August 31, 2016, action, EPA did not take any action regarding Alabama's request in this October 26, 2015, SIP submission to revise the State's regional haze SIP nor regarding the prong 4 for the 2008 lead, 2008 8-hour ozone, 2010 1-hour NO₂, and 2010 1-hour SO₂ NAAQS.

⁷ In its regional haze SIP, Alabama concluded and EPA found acceptable the State's determination that no additional controls beyond CAIR are reasonable for SO₂ for affected Alabama EGUs for the first implementation period. *See* 77 FR 11949 (February 28, 2012).

B. Infrastructure SIPs

By statute, SIPs meeting the requirements of sections 110(a)(1) and (2) of the CAA are to be submitted by states within three years (or less, if the Administrator so prescribes) after promulgation of a new or revised NAAQS to provide for the implementation, maintenance, and enforcement of the new or revised NAAQS. EPA has historically referred to these SIP submissions made for the purpose of satisfying the requirements of sections 110(a)(1) and 110(a)(2) as “infrastructure SIP” submissions. Sections 110(a)(1) and (2) require states to address basic SIP elements such as for monitoring, basic program requirements, and legal authority that are designed to assure attainment and maintenance of the newly established or revised NAAQS. More specifically, section 110(a)(1) provides the procedural and timing requirements for infrastructure SIPs. Section 110(a)(2) lists specific elements that states must meet for the infrastructure SIP requirements related to a newly established or revised NAAQS. The contents of an infrastructure SIP submission may vary depending upon the data and analytical tools available to the state, as well as the provisions already contained in the state’s implementation plan at the time in which the state develops and submits the submission for a new or revised NAAQS.

Section 110(a)(2)(D) has two components: 110(a)(2)(D)(i) and 110(a)(2)(D)(ii). Section 110(a)(2)(D)(i) includes four distinct components, commonly referred to as “prongs,” that must be addressed in infrastructure SIP submissions. The first two prongs, which are codified in section 110(a)(2)(D)(i)(I), are provisions that prohibit any source or other type of emissions activity in one state from contributing significantly to nonattainment of the NAAQS in another state (prong 1) and from interfering with maintenance of the NAAQS in another state (prong 2). The third and fourth prongs, which are codified in section 110(a)(2)(D)(i)(II), are provisions that

prohibit emissions activity in one state from interfering with measures required to prevent significant deterioration of air quality in another state (prong 3) or from interfering with measures to protect visibility in another state (prong 4). Section 110(a)(2)(D)(ii) requires SIPs to include provisions ensuring compliance with sections 115 and 126 of the Act, relating to interstate and international pollution abatement.

Through this action, EPA is proposing to approve the prong 4 portion of Alabama's infrastructure SIP submissions for the 2010 1-hour NO₂, 2010 1-hour SO₂, and 2012 annual PM_{2.5} NAAQS, and to convert EPA's disapproval of the prong 4 portion of Alabama's infrastructure SIP submission for the 2008 8-hour Ozone NAAQS to an approval, as discussed in section IV of this notice.⁸ All other applicable infrastructure SIP requirements for these SIP submissions have been or will be addressed in separate rulemakings. A brief background regarding the NAAQS relevant to this proposal is provided below. For comprehensive information on these NAAQS, please refer to the Federal Register notices cited in the following subsections.

1. 2010 1-hour SO₂ NAAQS

On June 2, 2010, EPA revised the 1-hour primary SO₂ NAAQS to an hourly standard of 75 parts per billion (ppb) based on a 3-year average of the annual 99th percentile of 1-hour daily maximum concentrations. *See* 75 FR 35520 (June 22, 2010). States were required to submit infrastructure SIP submissions for the 2010 1-hour SO₂ NAAQS to EPA no later than June 2, 2013. Alabama submitted an infrastructure SIP submission for the 2010 1-hour SO₂ NAAQS on April 23, 2013. This proposed action only addresses the prong 4 element of that submission.⁹

2. 2010 1-hour NO₂ NAAQS

⁸ *See* 82 FR 9512 (February 7, 2017).

⁹ The other portions of Alabama's April 23 2013, SO₂ infrastructure submission have been addressed in a previous EPA action. *See* 82 FR 3637 (January 12, 2017).

On January 22, 2010, EPA promulgated a new 1-hour primary NAAQS for NO₂ at a level of 100 ppb, based on a 3-year average of the 98th percentile of the yearly distribution of 1-hour daily maximum concentrations. *See* 75 FR 6474 (February 9, 2010). States were required to submit infrastructure SIP submissions for the 2010 1-hour NO₂ NAAQS to EPA no later than January 22, 2013. Alabama submitted infrastructure SIP submissions for the 2010 1-hour NO₂ NAAQS on April 23, 2013, and December 9, 2015. This proposed action only addresses the prong 4 element of those submissions.¹⁰

3. 2012 PM_{2.5} NAAQS

On December 14, 2012, EPA revised the annual primary PM_{2.5} NAAQS to 12 micrograms per cubic meter (µg/m³). *See* 78 FR 3086 (January 15, 2013). States were required to submit infrastructure SIP submissions for the 2012 PM_{2.5} NAAQS to EPA no later than December 14, 2015. Alabama submitted an infrastructure SIP submission for the 2012 PM_{2.5} NAAQS on December 9, 2015. This proposed action only addresses the prong 4 element of that submission.¹¹

4. 2008 8-hour Ozone NAAQS

On March 12, 2008, EPA revised the 8-hour Ozone NAAQS to 0.075 parts per million. *See* 73 FR 16436 (March 27, 2008). States were required to submit infrastructure SIP submissions for the 2008 8-hour Ozone NAAQS to EPA no later than March 12, 2011. Alabama submitted an infrastructure SIP for the 2008 8-hour Ozone NAAQS on August 20, 2012. On February 7, 2017, EPA disapproved the prong 4 element of Alabama's 2008 8-hour Ozone

¹⁰ The other portions for Alabama's April 23 2013, and December 9, 2015, NO₂ infrastructure submissions have been addressed in previous EPA actions. *See* 81 FR 83142 (November 21, 2016); 80 FR 14019 (March 18, 2015).

¹¹ The other portions of Alabama's December 9, 2015, PM_{2.5} infrastructure submission are being addressed in separate actions.

infrastructure submission. *See* 82 FR 9512. This proposed action addresses that disapproval and proposes to convert it to a full approval for prong 4.¹²

II. What Is EPA’s Approach to the Review of Infrastructure SIP Submissions?

The requirement for states to make a SIP submission of this type arises out of section 110(a)(1). Pursuant to section 110(a)(1), states must make SIP submissions “within 3 years (or such shorter period as the Administrator may prescribe) after the promulgation of a national primary ambient air quality standard (or any revision thereof),” and these SIP submissions are to provide for the “implementation, maintenance, and enforcement” of such NAAQS. The statute directly imposes on states the duty to make these SIP submissions, and the requirement to make the submissions is not conditioned upon EPA’s taking any action other than promulgating a new or revised NAAQS. Section 110(a)(2) includes a list of specific elements that “each such plan” submission must address.

EPA has historically referred to these SIP submissions made for the purpose of satisfying the requirements of section 110(a)(1) and (2) as “infrastructure SIP” submissions. Although the term “infrastructure SIP” does not appear in the CAA, EPA uses the term to distinguish this particular type of SIP submission from submissions that are intended to satisfy other SIP requirements under the CAA, such as “nonattainment SIP” or “attainment plan SIP” submissions to address the nonattainment planning requirements of part D of Title I of the CAA, “regional haze SIP” submissions required by EPA rule to address the visibility protection requirements of section 169A of the CAA, and nonattainment new source review (NSR) permit program submissions to address the permit requirements of CAA, Title I, part D.

¹² The other portions of Alabama’s March 12, 2008, ozone infrastructure SIP submission have been addressed in previous EPA actions. *See* 80 FR 14019 (March 3, 2015); 80 FR 17689 (April 2, 2015).

Section 110(a)(1) addresses the timing and general requirements for infrastructure SIP submissions and section 110(a)(2) provides more details concerning the required contents of these submissions. The list of required elements provided in section 110(a)(2) contains a wide variety of disparate provisions, some of which pertain to required legal authority, some of which pertain to required substantive program provisions, and some of which pertain to requirements for both authority and substantive program provisions.¹³ EPA therefore believes that while the timing requirement in section 110(a)(1) is unambiguous, some of the other statutory provisions are ambiguous. In particular, EPA believes that the list of required elements for infrastructure SIP submissions provided in section 110(a)(2) contains ambiguities concerning what is required for inclusion in an infrastructure SIP submission.

The following examples of ambiguities illustrate the need for EPA to interpret some section 110(a)(1) and section 110(a)(2) requirements with respect to infrastructure SIP submissions for a given new or revised NAAQS. One example of ambiguity is that section 110(a)(2) requires that “each” SIP submission must meet the list of requirements therein, while EPA has long noted that this literal reading of the statute is internally inconsistent and would create a conflict with the nonattainment provisions in part D of Title I of the CAA, which specifically address nonattainment SIP requirements.¹⁴ Section 110(a)(2)(I) pertains to nonattainment SIP requirements and part D addresses when attainment plan SIP submissions to address nonattainment area requirements are due. For example, section 172(b) requires EPA to establish a schedule for submission of such plans for certain pollutants when the Administrator

¹³ For example: section 110(a)(2)(E)(i) provides that states must provide assurances that they have adequate legal authority under state and local law to carry out the SIP; section 110(a)(2)(C) provides that states must have a SIP-approved program to address certain sources as required by part C of Title I of the CAA; and section 110(a)(2)(G) provides that states must have legal authority to address emergencies as well as contingency plans that are triggered in the event of such emergencies.

¹⁴ *See, e.g.*, “Rule To Reduce Interstate Transport of Fine Particulate Matter and Ozone (Clean Air Interstate Rule); Revisions to Acid Rain Program; Revisions to the NO_x SIP Call; Final Rule,” 70 FR 25162, at 25163 – 65 (May 12, 2005) (explaining relationship between timing requirement of section 110(a)(2)(D) versus section 110(a)(2)(I)).

promulgates the designation of an area as nonattainment, and section 107(d)(1)(B) allows up to two years or in some cases three years, for such designations to be promulgated.¹⁵ This ambiguity illustrates that rather than apply all the stated requirements of section 110(a)(2) in a strict literal sense, EPA must determine which provisions of section 110(a)(2) are applicable for a particular infrastructure SIP submission.

Another example of ambiguity within section 110(a)(1) and (2) with respect to infrastructure SIPs pertains to whether states must meet all of the infrastructure SIP requirements in a single SIP submission, and whether EPA must act upon such SIP submission in a single action. Although section 110(a)(1) directs states to submit “a plan” to meet these requirements, EPA interprets the CAA to allow states to make multiple SIP submissions separately addressing infrastructure SIP elements for the same NAAQS. If states elect to make such multiple SIP submissions to meet the infrastructure SIP requirements, EPA can elect to act on such submissions either individually or in a larger combined action.¹⁶ Similarly, EPA interprets the CAA to allow it to take action on the individual parts of one larger, comprehensive infrastructure SIP submission for a given NAAQS without concurrent action on the entire submission. For example, EPA has sometimes elected to act at different times on various elements and sub-elements of the same infrastructure SIP submission.¹⁷

¹⁵ EPA notes that this ambiguity within section 110(a)(2) is heightened by the fact that various subparts of part D set specific dates for submission of certain types of SIP submissions in designated nonattainment areas for various pollutants. Note, e.g., that section 182(a)(1) provides specific dates for submission of emissions inventories for the ozone NAAQS. Some of these specific dates are necessarily later than three years after promulgation of the new or revised NAAQS.

¹⁶ See, e.g., “Approval and Promulgation of Implementation Plans; New Mexico; Revisions to the New Source Review (NSR) State Implementation Plan (SIP); Prevention of Significant Deterioration (PSD) and Nonattainment New Source Review (NNSR) Permitting,” 78 FR 4339 (January 22, 2013) (EPA’s final action approving the structural PSD elements of the New Mexico SIP submitted by the State separately to meet the requirements of EPA’s 2008 PM_{2.5} NSR rule), and “Approval and Promulgation of Air Quality Implementation Plans; New Mexico; Infrastructure and Interstate Transport Requirements for the 2006 PM_{2.5} NAAQS,” 78 FR 4337 (January 22, 2013) (EPA’s final action on the infrastructure SIP for the 2006 PM_{2.5} NAAQS).

¹⁷ On December 14, 2007, the State of Tennessee, through the Tennessee Department of Environment and Conservation, made a SIP revision to EPA demonstrating that the State meets the requirements of sections 110(a)(1)

Ambiguities within section 110(a)(1) and (2) may also arise with respect to infrastructure SIP submission requirements for different NAAQS. Thus, EPA notes that not every element of section 110(a)(2) would be relevant, or as relevant, or relevant in the same way, for each new or revised NAAQS. The states' attendant infrastructure SIP submissions for each NAAQS therefore could be different. For example, the monitoring requirements that a state might need to meet in its infrastructure SIP submission for purposes of section 110(a)(2)(B) could be very different for different pollutants, because the content and scope of a state's infrastructure SIP submission to meet this element might be very different for an entirely new NAAQS than for a minor revision to an existing NAAQS.¹⁸

EPA notes that interpretation of section 110(a)(2) is also necessary when EPA reviews other types of SIP submissions required under the CAA. Therefore, as with infrastructure SIP submissions, EPA also has to identify and interpret the relevant elements of section 110(a)(2) that logically apply to these other types of SIP submissions. For example, section 172(c)(7) requires attainment plan SIP submissions required by part D to meet the "applicable requirements" of section 110(a)(2); thus, attainment plan SIP submissions must meet the requirements of section 110(a)(2)(A) regarding enforceable emission limits and control measures and section 110(a)(2)(E)(i) regarding air agency resources and authority. By contrast, it is clear that attainment plan SIP submissions required by part D would not need to meet the portion of section 110(a)(2)(C) that pertains to the prevention of significant deterioration (PSD) program required in part C of Title I of the CAA, because PSD does not apply to a pollutant for which an

and (2). EPA proposed action for infrastructure SIP elements (C) and (J) on January 23, 2012 (77 FR 3213) and took final action on March 14, 2012 (77 FR 14976). On April 16, 2012 (77 FR 22533) and July 23, 2012 (77 FR 42997), EPA took separate proposed and final actions on all other section 110(a)(2) infrastructure SIP elements of Tennessee's December 14, 2007, submittal.

¹⁸ For example, implementation of the 1997 PM_{2.5} NAAQS required the deployment of a system of new monitors to measure ambient levels of that new indicator species for the new NAAQS.

area is designated nonattainment and thus subject to part D planning requirements. As this example illustrates, each type of SIP submission may implicate some elements of section 110(a)(2) but not others.

Given the potential for ambiguity in some of the statutory language of section 110(a)(1) and section 110(a)(2), EPA believes that it is appropriate to interpret the ambiguous portions of section 110(a)(1) and section 110(a)(2) in the context of acting on a particular SIP submission. In other words, EPA assumes that Congress could not have intended that each and every SIP submission, regardless of the NAAQS in question or the history of SIP development for the relevant pollutant, would meet each of the requirements, or meet each of them in the same way. Therefore, EPA has adopted an approach under which it reviews infrastructure SIP submissions against the list of elements in section 110(a)(2), but only to the extent each element applies for that particular NAAQS.

Historically, EPA has elected to use guidance documents to make recommendations to states for infrastructure SIPs, in some cases conveying needed interpretations on newly arising issues and in some cases conveying interpretations that have already been developed and applied to individual SIP submissions for particular elements.¹⁹ EPA most recently issued guidance for infrastructure SIPs on September 13, 2013 (2013 Guidance).²⁰ EPA developed this document to provide states with up-to-date guidance for infrastructure SIPs for any new or revised NAAQS. Within this guidance, EPA describes the duty of states to make infrastructure SIP submissions to meet basic structural SIP requirements within three years of promulgation of a new or revised

¹⁹ EPA notes, however, that nothing in the CAA requires EPA to provide guidance or to promulgate regulations for infrastructure SIP submissions. The CAA directly applies to states and requires the submission of infrastructure SIP submissions, regardless of whether or not EPA provides guidance or regulations pertaining to such submissions. EPA elects to issue such guidance in order to assist states, as appropriate.

²⁰ “Guidance on Infrastructure State Implementation Plan (SIP) Elements under Clean Air Act Sections 110(a)(1) and 110(a)(2),” Memorandum from Stephen D. Page, September 13, 2013.

NAAQS. EPA also made recommendations about many specific subsections of section 110(a)(2) that are relevant in the context of infrastructure SIP submissions.²¹ The guidance also discusses the substantively important issues that are germane to certain subsections of section 110(a)(2). EPA interprets sections 110(a)(1) and (2) such that infrastructure SIP submissions need to address certain issues and need not address others. Accordingly, EPA reviews each infrastructure SIP submission for compliance with the applicable statutory provisions of section 110(a)(2), as appropriate.

As an example, section 110(a)(2)(E)(ii) is a required element of section 110(a)(2) for infrastructure SIP submissions. Under this element, a state must meet the substantive requirements of section 128, which pertain to state boards that approve permits or enforcement orders and heads of executive agencies with similar powers. Thus, EPA reviews infrastructure SIP submissions to ensure that the state's SIP appropriately addresses the requirements of section 110(a)(2)(E)(ii) and section 128. The 2013 Guidance explains EPA's interpretation that there may be a variety of ways by which states can appropriately address these substantive statutory requirements, depending on the structure of an individual state's permitting or enforcement program (*e.g.*, whether permits and enforcement orders are approved by a multi-member board or by a head of an executive agency). Regardless of how they are addressed by the state, the substantive requirements of section 128 are necessarily included in EPA's evaluation of infrastructure SIP submissions because section 110(a)(2)(E)(ii) explicitly requires that the state satisfy the provisions of section 128.

²¹ EPA's September 13, 2013, guidance did not make recommendations with respect to infrastructure SIP submissions to address section 110(a)(2)(D)(i)(I). EPA issued the guidance shortly after the U.S. Supreme Court agreed to review the D.C. Circuit decision in *EME Homer City*, 696 F.3d 7 (D.C. Cir. 2012) which had interpreted the requirements of section 110(a)(2)(D)(i)(I). In light of the uncertainty created by ongoing litigation, EPA elected not to provide additional guidance on the requirements of section 110(a)(2)(D)(i)(I) at that time. As the guidance is neither binding nor required by statute, whether EPA elects to provide guidance on a particular section has no impact on a state's CAA obligations.

As another example, EPA's review of infrastructure SIP submissions with respect to the PSD program requirements in section 110(a)(2)(C), (D)(i)(II), and (J) focuses upon the structural PSD program requirements contained in part C and EPA's PSD regulations. Structural PSD program requirements include provisions necessary for the PSD program to address all regulated sources and NSR pollutants, including greenhouse gases. By contrast, structural PSD program requirements do not include provisions that are not required under EPA's regulations at 40 CFR 51.166 but are merely available as an option for the state, such as the option to provide grandfathering of complete permit applications with respect to the PM_{2.5} NAAQS. Accordingly, the latter optional provisions are types of provisions EPA considers irrelevant in the context of an infrastructure SIP action.

For other section 110(a)(2) elements, however, EPA's review of a state's infrastructure SIP submission focuses on assuring that the state's SIP meets basic structural requirements. For example, section 110(a)(2)(C) includes, *inter alia*, the requirement that states have a program to regulate minor new sources. Thus, EPA evaluates whether the state has an EPA-approved minor NSR program and whether the program addresses the pollutants relevant to that NAAQS. In the context of acting on an infrastructure SIP submission, however, EPA does not think it is necessary to conduct a review of each and every provision of a state's existing minor source program (*i.e.*, already in the existing SIP) for compliance with the requirements of the CAA and EPA's regulations that pertain to such programs.

With respect to certain other issues, EPA does not believe that an action on a state's infrastructure SIP submission is necessarily the appropriate type of action in which to address possible deficiencies in a state's existing SIP. These issues include: (i) existing provisions related to excess emissions from sources during periods of startup, shutdown, or malfunction

(SSM) that may be contrary to the CAA and EPA’s policies addressing such excess emissions;²² (ii) existing provisions related to “director’s variance” or “director’s discretion” that may be contrary to the CAA because they purport to allow revisions to SIP-approved emissions limits while limiting public process or not requiring further approval by EPA; and (iii) existing provisions for PSD programs that may be inconsistent with current requirements of EPA’s “Final NSR Improvement Rule,” 67 FR 80186 (December 31, 2002), as amended by 72 FR 32526 (June 13, 2007) (NSR Reform). Thus, EPA believes that it may approve an infrastructure SIP submission without scrutinizing the totality of the existing SIP for such potentially deficient provisions and may approve the submission even if it is aware of such existing provisions.²³ It is important to note that EPA’s approval of a state’s infrastructure SIP submission should not be construed as explicit or implicit re-approval of any existing potentially deficient provisions that relate to the three specific issues just described.

EPA’s approach to review of infrastructure SIP submissions is to identify the CAA requirements that are logically applicable to that submission. EPA believes that this approach to the review of a particular infrastructure SIP submission is appropriate, because it would not be reasonable to read the general requirements of section 110(a)(1) and the list of elements in section 110(a)(2) as requiring review of each and every provision of a state’s existing SIP against all requirements in the CAA and EPA regulations merely for purposes of assuring that the state

²² Subsequent to issuing the 2013 Guidance, EPA’s interpretation of the CAA with respect to the approvability of affirmative defense provisions in SIPs has changed. See “State Implementation Plans: Response to Petition for Rulemaking; Restatement and Update of EPA’s SSM Policy Applicable to SIPs; Findings of Substantial Inadequacy; and SIP Calls To Amend Provisions Applying to Excess Emissions During Periods of Startup, Shutdown and Malfunction,” 80 FR 33839 (June 12, 2015). As a result, EPA’s 2013 Guidance (p. 21 & n.30) no longer represents the EPA’s view concerning the validity of affirmative defense provisions, in light of the requirements of section 113 and section 304.

²³ By contrast, EPA notes that if a state were to include a new provision in an infrastructure SIP submission that contained a legal deficiency, such as a new exemption or affirmative defense for excess emissions during SSM events, then EPA would need to evaluate that provision for compliance against the rubric of applicable CAA requirements in the context of the action on the infrastructure SIP.

in question has the basic structural elements for a functioning SIP for a new or revised NAAQS. Because SIPs have grown by accretion over the decades as statutory and regulatory requirements under the CAA have evolved, they may include some outmoded provisions and historical artifacts. These provisions, while not fully up to date, nevertheless may not pose a significant problem for the purposes of “implementation, maintenance, and enforcement” of a new or revised NAAQS when EPA evaluates adequacy of the infrastructure SIP submission. EPA believes that a better approach is for states and EPA to focus attention on those elements of section 110(a)(2) of the CAA most likely to warrant a specific SIP revision due to the promulgation of a new or revised NAAQS or other factors.

For example, EPA’s 2013 Guidance gives simpler recommendations with respect to carbon monoxide than other NAAQS pollutants to meet the visibility requirements of section 110(a)(2)(D)(i)(II), because carbon monoxide does not affect visibility. As a result, an infrastructure SIP submission for any future new or revised NAAQS for carbon monoxide need only state this fact in order to address the visibility prong of section 110(a)(2)(D)(i)(II).

Finally, EPA believes that its approach with respect to infrastructure SIP requirements is based on a reasonable reading of section 110(a)(1) and (2) because the CAA provides other avenues and mechanisms to address specific substantive deficiencies in existing SIPs. These other statutory tools allow EPA to take appropriately tailored action, depending upon the nature and severity of the alleged SIP deficiency. Section 110(k)(5) authorizes EPA to issue a “SIP call” whenever the Agency determines that a state’s implementation plan is substantially inadequate to attain or maintain the NAAQS, to mitigate interstate transport, or to otherwise

comply with the CAA.²⁴ Section 110(k)(6) authorizes EPA to correct errors in past actions, such as past approvals of SIP submissions.²⁵ Significantly, EPA's determination that an action on a state's infrastructure SIP submission is not the appropriate time and place to address all potential existing SIP deficiencies does not preclude EPA's subsequent reliance on provisions in section 110(a)(2) as part of the basis for action to correct those deficiencies at a later time. For example, although it may not be appropriate to require a state to eliminate all existing inappropriate director's discretion provisions in the course of acting on an infrastructure SIP submission, EPA believes that section 110(a)(2)(A) may be among the statutory bases that EPA relies upon in the course of addressing such deficiency in a subsequent action.²⁶

III. What Are the Prong 4 Requirements?

CAA section 110(a)(2)(D)(i)(II) requires a state's implementation plan to contain provisions prohibiting sources in that state from emitting pollutants in amounts that interfere with any other state's efforts to protect visibility under part C of the CAA (which includes sections 169A and 169B). The 2013 Guidance states that these prong 4 requirements can be satisfied by approved SIP provisions that EPA has found to adequately address any contribution of that state's sources that impacts the visibility program requirements in other states. The 2013 Guidance also states that EPA interprets this prong to be pollutant-specific, such that the

²⁴ For example, EPA issued a SIP call to Utah to address specific existing SIP deficiencies related to the treatment of excess emissions during SSM events. *See* "Finding of Substantial Inadequacy of Implementation Plan; Call for Utah State Implementation Plan Revisions," 74 FR 21639 (April 18, 2011).

²⁵ EPA has used this authority to correct errors in past actions on SIP submissions related to PSD programs. *See* "Limitation of Approval of Prevention of Significant Deterioration Provisions Concerning Greenhouse Gas Emitting-Sources in State Implementation Plans; Final Rule," 75 FR 82536 (December 30, 2010). EPA has previously used its authority under section 110(k)(6) of the CAA to remove numerous other SIP provisions that the Agency determined it had approved in error. *See, e.g.*, 61 FR 38664 (July 25, 1996) and 62 FR 34641 (June 27, 1997) (corrections to American Samoa, Arizona, California, Hawaii, and Nevada SIPs); 69 FR 67062, November 16, 2004 (corrections to California SIP); and 74 FR 57051 (November 3, 2009) (corrections to Arizona and Nevada SIPs).

²⁶ *See, e.g.*, EPA's disapproval of a SIP submission from Colorado on the grounds that it would have included a director's discretion provision inconsistent with CAA requirements, including section 110(a)(2)(A). *See, e.g.*, 75 FR 42342 at 42344 (July 21, 2010) (proposed disapproval of director's discretion provisions); 76 FR 4540 (January 26, 2011) (final disapproval of such provisions).

infrastructure SIP submission need only address the potential for interference with protection of visibility caused by the pollutant (including precursors) to which the new or revised NAAQS applies.

The 2013 Guidance lays out how a state's infrastructure SIP may satisfy prong 4. One way that a state can meet the requirements is via confirmation in its infrastructure SIP submission that the state has an approved regional haze SIP that fully meets the requirements of 40 CFR 51.308 or 51.309. 40 CFR 51.308 and 51.309 specifically require that a state participating in a regional planning process include all measures needed to achieve its apportionment of emission reduction obligations agreed upon through that process. A fully approved regional haze SIP will ensure that emissions from sources under an air agency's jurisdiction are not interfering with measures required to be included in other air agencies' plans to protect visibility.

Alternatively, in the absence of a fully approved regional haze SIP, a state may meet the requirements of prong 4 through a demonstration in its infrastructure SIP submission that emissions within its jurisdiction do not interfere with other air agencies' plans to protect visibility. Such an infrastructure SIP submission would need to include measures to limit visibility-impairing pollutants and ensure that the reductions conform with any mutually agreed regional haze RPGs for mandatory Class I areas in other states.

IV. What Is EPA's Analysis of How Alabama Addressed Prong 4 and Regional Haze?

Alabama's August 20, 2012, 2008 8-hour Ozone infrastructure SIP submission; April 23, 2013, and December 9, 2015, 2010 1-hour NO₂ submissions; April 23, 2013, 2010 1-hour SO₂ submission; and December 9, 2015, 2012 annual PM_{2.5} submission rely on the State having a

fully approved regional haze SIP to satisfy its prong 4 requirements. However, EPA has not fully approved Alabama's regional haze SIP, as the Agency issued a limited disapproval of the State's original regional haze plan on June 7, 2012, due to its reliance on CAIR. To correct the deficiencies in its regional haze SIP and obtain approval of the aforementioned infrastructure SIPs that rely on the regional haze SIP, the State submitted a SIP revision on October 26, 2015, to replace reliance on CAIR with reliance on CSAPR.²⁷

EPA is proposing to approve the regional haze portion of the State's October 26, 2015, SIP revision and convert EPA's previous action on Alabama's regional haze SIP from a limited approval/limited disapproval to a full approval because final approval of this portion of the SIP revision would correct the deficiencies that led to EPA's limited approval/limited disapproval of the State's regional haze SIP. Specifically, EPA's approval of this portion of Alabama's October 26, 2015, SIP revision would satisfy the SO₂ and NO_x BART requirements and SO₂ reasonable progress requirements for EGUs formerly subject to CAIR and the requirement that a LTS include measures as necessary to achieve the State-adopted RPGs. Because a state may satisfy prong 4 requirements through a fully approved regional haze SIP, EPA is therefore also proposing to approve the prong 4 portion of Alabama's April 23, 2013, and December 9, 2015, 2010 1-hour NO₂ infrastructure submissions; the April 23, 2013, 2010 1-hour SO₂ infrastructure submission; and the December 9, 2015, 2012 annual PM_{2.5} submission; and to convert EPA's February 7, 2017, disapproval of the prong 4 portions of Alabama's August 20, 2012, 2008 8-hour Ozone infrastructure submission to an approval. However, as noted above, EPA proposed in November 2016 to find that CSAPR remains "better than BART" given the changes to CSAPR's scope in response to the D.C. Circuit's remand, but the Agency has not finalized this

²⁷ See Alabama's October 26, 2015, SIP submittal, *Part H - Proposed Revisions to Alabama Regional Haze State Implementation Plan (SIP)*.

national rulemaking. Therefore, EPA will not finalize the proposed approvals of Alabama's regional haze and prong 4 submissions described above unless it has finalized the CSAPR remains "better-than-BART" rulemaking or otherwise determined that participation in CSAPR remains a viable alternative to BART.

V. Proposed Action

As described above, EPA is proposing to take the following actions, contingent upon a final determination that CSAPR continues to qualify as an alternative to the application of BART under the RHR: 1) approve the regional haze portion of Alabama's October 26, 2015, SIP submission to change reliance from CAIR to CSAPR; 2) convert EPA's limited approval/limited disapproval of Alabama's July 15, 2008, regional haze SIP to a full approval; 3) approve the prong 4 portion of Alabama's April 23, 2013, and December 9, 2015, 2010 1-hour NO₂ submissions; April 23, 2013, 2010 1-hour SO₂ submission; and December 9, 2015, 2012 annual PM_{2.5} submission; and 4) convert EPA's February 7, 2017, disapproval of the prong 4 portion of Alabama's August 20, 2012, 2008 8-hour Ozone submission to an approval. All other applicable infrastructure requirements for the infrastructure SIP submissions have been or will be addressed in separate rulemakings.

VI. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the Act and applicable federal regulations. *See* 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, EPA's role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, these proposed actions merely propose to approve state law as meeting Federal requirements and do not impose additional requirements beyond those imposed by state law. For that reason, these proposed actions:

- are not “significant regulatory actions” subject to review by the Office of Management and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993) and 13563 (76 FR 3821, January 21, 2011);
- do not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
- are certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
- do not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);
- do not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- are not economically significant regulatory actions based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- are not significant regulatory actions subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- are not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA; and
- do not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

The SIP is not approved to apply on any Indian reservation land or in any other area where EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of Indian country, the rule does not have tribal implications as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), nor will it impose substantial direct costs on tribal governments or preempt tribal law.

List of Subjects in 40 CFR Part 52

Environmental protection, Administrative practice and procedure, Air pollution control, Incorporation by reference, Intergovernmental relations, Nitrogen dioxide, Ozone, Particulate Matter, Reporting and recordkeeping requirements, Sulfur oxides.

Authority: 42 U.S.C. 7401 *et seq.*

Dated: August 4, 2017.

V. Anne Heard

Acting Regional Administrator,

Region 4.

[FR Doc. 2017-17346 Filed: 8/16/2017 8:45 am; Publication Date: 8/17/2017]